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COMMONWEALTH OF PENNSYLVANIA 2010 NOV 15 AM 10:50
DEPARTMENT OF BANKING

PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING, BUREAU :
OF COMPLIANCE, INVESTIGATION AND :
LICENSING : Docket No.: 10 0272 (ENF-CO)
: :
v. :
: :
OFFICIAL PAYMENTS CORPORATION :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau") has reviewed the business practices of Official Payments Corporation ("OPC"), and its officers, employees and directors. Based on the results of its review, the Bureau believes that OPC is in violation of 7 P.S. §6101 *et. seq.*, commonly referred to as the Money Transmitter Act ("MTA"). The parties to the above-captioned matter, in lieu of litigation and for purposes of settlement, hereby stipulate that the following statements are true and correct, and intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Pennsylvania state governmental administrative agency authorized and empowered to administer and enforce the MTA.
2. The Bureau is primarily responsible for administering and enforcing the MTA for the Department.

3. OPC's principal place of business is 11130 Sunrise Valley Drive Suite 300, Reston, Virginia 20191.

4. OPC is not licensed as a money transmitter in Pennsylvania pursuant to the provisions of the MTA.

5. In or around September 2010, the Bureau learned that OPC had been transmitting money for Pennsylvania consumers for a fee without a license since October 1, 2001.

6. Section 2 of the MTA provides that "[n]o person shall engage in the business of transmitting money by means of a transmittal instrument for a fee or other consideration without first having obtained a license from the Department of Banking nor shall any person engage in such business as an agent except as an agent of a person licensed or exempted under this act." 7 P.S. §6102 (emphasis added).

7. The MTA defines a transmittal instrument as "any check, draft, money order, personal money order or *method for the payment of money* or transmittal of credit. . . ." 7 P.S. §6101 (emphasis added).

8. OPC does not meet any of the exemptions to licensure contained in the MTA. See 7 P.S. §§ 6103, 6104.

9. By transferring Pennsylvania consumers' monies for a fee, it is the Bureau's position that OPC engaged in the business of transmitting money by means of a transmittal instrument under the MTA.

10. The MTA provides, in relevant part, that "[a]ny person, whether licensed or not licensed under the provisions of this act, or any director, officer, employee or agent of any such person, who shall violate the provisions of this act or shall direct or consent to such violations

shall be subject to a fine levied by the Department of Banking of up to two thousand dollars (\$2,000) for each offense.” 7 P.S. §6116.

11. OPC voluntarily ceased soliciting new agents when the Bureau initially notified it that it was investigating its possible unlicensed activity under the MTA pursuant to Section 7(a) of the MTA. 7 P.S. § 6107(a).

12. OPC has been cooperative with the Bureau by fully disclosing its activities to the Bureau.

VIOLATION

13. By transmitting money for Pennsylvania consumers for a fee without a money transmitter license, it is the Bureau’s position that OPC is in violation of Section 2 of the MTA.

RELIEF

14. Fine. Within thirty (30) days of the Effective Date of this Order, OPC shall pay to the Department a fine in the amount of \$10,000.00. Payment shall be remitted by certified check or money order and made payable to the “Department of Banking” and shall be sent to the attention of Licensing Division, Bureau of Compliance, Investigation and Licensing located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

15. License. Upon the Effective Date of this Order, OPC’s money transmitter application shall be approved and the license issued.

16. Corrective Action. OPC shall cease and desist from transmitting any monies from its agents to any bill payees on behalf of Pennsylvania consumers or otherwise transmitting money as set forth in the MTA unless and until OPC is licensed or otherwise authorized to engage in such business in Pennsylvania.

FURTHER PROVISIONS

17. Consent. OPC hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MTA and agrees that it understands all of the terms and conditions contained herein. OPC, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

18. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code. 71 P.S. §733-302.A.(5).

19. Entire Agreement. This Order contains the whole agreement between the parties. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Bureau and OPC.

20. Binding Nature. The Department, OPC, and all officers, owners, directors, employees, heirs and assigns of OPC intend to be and are legally bound by the terms of this Order.

21. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

22. Effectiveness. OPC hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

23. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against OPC in the future regarding all matters not resolved by this Order.

(b) OPC acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

24. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

25. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

26. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and OPC intending to be legally bound do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING
BUREAU OF COMPLIANCE, INVESTIGATION
AND LICENSING**

Robert Knaub
Enforcement Administrator
Department of Banking

Date: 11/12/10

FOR OFFICIAL PAYMENTS CORPORATION

(Officer Signature)

(Print Officer Name)

CEO
(Title)

Date: 11/8/10